

# Ntabankulu Local Municipality



## 2006/2007 Annual Report

Prepared for: Honorable Mayor: P. S. Matshoba

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## **Acknowledgement.**

This report is a product of tireless effort from the office of the Honorable Mayor i.e. Strategic and Development Planning Services. The support and cooperation by other departments deserves mentioning as this is proof of a culmination of a new era, an epoch of qualitative and quantitative change. The sound political leadership given by the council and its political structures deserves acknowledgement as this commitment attests to a truly committed leadership in changing the plight of the people of Ntabankulu.

Lastly we need to thank the partnership we have developed with service providers i.e. Far Point Trading which has ultimately ensured the complete product of this report. May all of you know that your profound contribution individual and collective brilliance will go a long way in ensuring that we change the course of history which continues to condemn the people of this our beloved Ntabankulu to perpetual poverty, degradation and vulnerability.

## **CHAPTER 1: INTRODUCTION AND OVERVIEW**

### **1.1 Mayor's Foreword**

Ntabankulu Local Municipality; a rural municipality established by amalgamation of TLC and TRC prides herself to present 2006/07 annual report to the council, community members, and the society at large.

We are noting that:

- Ntabankulu local municipality's charm lies in its rural atmosphere, where the community members operate according to the traditional ways of life and culture with less exposure to the urban lifestyle;
- Our service delivery is being held back by several challenges faced by the municipality.
- Parts of our communities are in effect declared to perpetual poverty from the cradle to the grave; approximately 75% of the population is indigent and entitled to free basic services; but
- We are rallied by a concept "Redressing the inexcusable gap between levels of development and between opulence and extreme poverty which is therefore our prime concern.
- Our goal is to uplift our previously disadvantaged communities.

As a council, we are critically aware that we have to optimize our resources in order to ensure that we can derive the maximum benefit from the economic opportunities within our area, on a district, provincial, national and even international context. We aspire to build informative societies; where development is framed by basic human rights and oriented to achieving a more equitable distribution of resources thus a basis of presenting this report. It is really my view that performance assessment within the institution is critical; to serve as a platform not only to criticize what has not been done but also to review our strategies and policies for implementation towards a better service delivery. These strategies and policies must be reviewed on an annual basis based on service delivery, progress and challenges. This will all lead to achievement of our goals i.e. good governance, good administration and transformation. The success of initiatives discussed above will automatically result in sustainable improvement in the municipality's development capabilities.

In conclusion I would like to express my appreciation to my fellow Council members, both the offices of the Municipal manager and the Chief Financial Officer as well as all other staff for their support, co-operation and hard work during the year under review. To all of you who have contributed fruitfully to this historic endeavor you must know that history has a special place for those who contribute in changing this world for the better. Henry Ford connotes "coming together is a beginning, keeping together is progress, and working together is success, my emphasis.

## **1.2 Overview of the Municipality**

### **a. Location**

The Ntabankulu Local Municipality is situated in the North – eastern part of the O.R. Tambo District Municipality, off the National Road to Kokstad. The towns that are close to Ntabankulu are as follows, Kokstad, Mt Frere and Mt Ayliff. Flagstaff is accessible through the gravel road which is in the route T19 from Ntabankulu town.

### **b. Population**

The Ntabankulu Local Municipality has a population of approximately 136 389 people and covers area of 1455, 7030 square kilometers.

### **c. Socio – Economic Characteristics**

Ntabankulu Local Municipality is one of the municipalities characterized by 75% of poverty, non-employment and illiteracy levels.

## **1.3 The Overarching strategy**

Ntabankulu Local Municipality aims at providing effective, efficient, transparent, accountable governance so as to secure the well-being of the people and the progressive realization of their constitutional rights, though faced with pervasive challenges as a developmental state to redress poverty, underdevelopment, marginalization of people and communities.

This challenge is best addressed through a concerted effort by the municipality and all spheres of government to work together and to integrate as far as possible their actions in the provision of services, the alleviation of poverty and the development of our people.

As part of the review processes the council envisage reviewing the existing policies; by laws, develop new policies; so to fast track the developmental agenda

## **1.4 Executive Summary**

### **a. Vision**

"A municipality that endeavors to ensure an inclusive and participatory local government by dwelling on a growth generating local economy; empowering social change supported by sustainable infrastructure in an environment conducive both politically and administratively"

### **b. Mission Statement**

Ntabankulu Local Municipality "a customer driven developmental municipality inspired by the possibilities of better services delivery, increased participation in the developmental agenda, to attain viability in the changing circumstances"

### **c. Goals**

The South African Constitution mandates the municipality to:

- ✓ Structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community;
- ✓ Promote the social and economic development of the community and
- ✓ Participate in national and provincial development programmes,

In order to achieve the municipality's vision, South African constitution mandate, the council adopted the following key priorities:

- ✓ Access to basic services (housing/water/sanitation/energy/refuse removal/public transport/telephone services),
- ✓ Access to social services (health/education/welfare/policing),
- ✓ Access to income and local economic development activities,
- ✓ Good governance and administration
- ✓ Institutional Transformation

### **d. Guiding Principles**

In carrying out its function the Ntabankulu Local Municipality is committed to:-

- Coordinate functions with other spheres of government using an Intergovernmental forum;
- Entering in meaningful partnership with private investors and interested groups;
- Maximizing community participation;
- Political transformation in a manner which is inclusive and fosters internal cooperation;
- Recognizing the social needs of rural communities;
- Sustainable socio – economic, environmental and political development;
- Integrated planning;
- Providing a better quality of life for all.

e. Outlining report as per municipal vision, mission and goals.

**Chapter 2** deals with all the services provided by the municipality and should be read in conjunction with chapter 3 and 5 in which reports have been presented regarding functional delivery services.

**Chapter 3** provides a brief narrative description that interprets the data produced in the functional services delivery reports and includes comments on the organizational structure how that structure relates to each function and various initiative as they relate to employment issues and their relative success.

**Chapter 4** contains the annual financial statements of the municipality, the audit report of the Auditor – General and other disclosure required by legislation.

**Chapter 5** provides financial and non – financial performance information on the various municipal functions with specific focus on services delivery.

## CHAPTER 2: PERFORMANCE HIGHLIGHTS

This section deals with the items like



Figure 1 "Uniqueness of our culture"



Figure 2 "Everyone has the right to adequate housing"



Figure 3, Figure 4 "Better life for all utilizing natural resources"



Figure 5 "measurable performance objectives from revenue"



Figure 6 "library" everyone has the right of access to any Information held by the state

## **CHAPTER 2 PERFORMANCE HIGHLIGHTS**

### **2.1 Background on services rendered by the municipality**

Ntabankulu Municipality's reviewed integrated development plan (IDP) for 2006 / 07 set clear objectives and strategies in respect to the attainment of the overall mandate of the municipality. Section 156(1) of the Constitution and Section 84(1) and (2) of the Municipal Structures Act, mandates the municipality to perform the following functions:

- ✓ Air pollution;
- ✓ Building regulations;
- ✓ Child care facilities;
- ✓ Fire fighting function as a shared municipal function, between the district and local municipality;
- ✓ Local tourism function as a shared municipal function, amongst the three spheres of government;
- ✓ Municipal airports function as a shared municipal function between district and local municipality;
- ✓ Municipal planning function as a shared municipal function between district and local municipality.
- ✓ Municipal Public Transport function as a shared municipal function between district and local municipality;
- ✓ Pontoons, ferries, jetties, piers and harbours function between district and local municipality;
- ✓ The storm water management systems;
- ✓ Trading regulations function;
- ✓ Water and sanitation services function as a district municipality function.
- ✓ Amusement Facilities function;
- ✓ The billboards and the display of advertisements in public places;
- ✓ The cemeteries, funeral parlours and crematoria function as a shared municipal function between district and local municipality;
- ✓ The cleansing function;
- ✓ The control of public nuisance function;
- ✓ Control of undertakings that sell liquor to the public;
- ✓ The facilities for the accommodation care and burial of animals function;
- ✓ Fencing and fences function;
- ✓ The licensing of dogs function;
- ✓ The licensing and control of undertakings that sell food to the public function;
- ✓ Local amenities function;
- ✓ The local sport facilities function;
- ✓ The markets function as a shared municipal function between district and local municipality.
- ✓ The municipal abattoirs function as a shared municipal function between district and local municipality;
- ✓ The municipal parks and recreation function;
- ✓ The municipal roads function as a shared municipal function between district and local municipality.



- ✓ The noise pollution function;
- ✓ the pounds function;
- ✓ The public places function;
- ✓ The refuse removal, refuse dumps and solid waste disposal function as a shared municipal function between district and local municipality;
- ✓ The street trading function;
- ✓ Street lighting function is a local municipality function.
- ✓ Traffic and parking function is a local municipality function.

Ntabankulu municipality's objectives and strategies were therefore outlined based on the mandate by SA Constitution, Municipal Structures Act and 2006/2007 reviewed Integrated Development Plan. They were also translated into clear deliverables and were outlined in the municipalities 2006 / 07 Budget Implementation and service Delivery Plan.

## **2.2 Organizational Strategic Objectives**

Ntabankulu Council adopted the following key strategic objectives in order of priority so as to guide the Budget Implementation and service delivery plan:

- ✓ to effectively respond to the Housing needs of the community
- ✓ to deliver quality basic services
- ✓ to create a basis for Local Economic Development
- ✓ to transform the organization and to develop its administration in line with council's new vision
- ✓ to practice Sound Financial Management
- ✓ to strengthen public confidence through effective Stakeholder Management

## CHAPTER 3 FUNCTIONAL SERVICE DELIVERY



# CORPORATE SERVICES DEPARTMENT

### **3.1 COOPERATE SERVICES DEPARTMENT**

#### **3.1.1 Organizational Structure of the Municipality**

##### **✓ Organizational transformation**

Council is embarking on a programme of organizational transformation in line with its vision to ensure better service delivery. To ensure that the municipality is reflective of its demographic population of the area, council has adopted an Employment Equity Plan.

Ntabankulu Local Municipality was established in 2000 and four departments were created to perform the functions required by the organization.

Department	Male	Female	Contract	Permanent	Total staff
Mayor's Office		1			1
Speaker's Office					
Municipal Manager's Office		1			1
Finance and IT	2	4			6
Social Development Services	7	11			18
Engineering and planning	12	11			23
Strategic Development and Cooperate Services	9	13			22
<b>Totals</b>	30	41			71

##### **✓ Personnel Numbers per Function**

Department	Function	Total
Mayor's office	Support staff	1
Speaker's office	Support staff	1
Municipal Manager's office	Support staff	1
Finance and IT	Revenue IT Officer Expenditure Project & assets	1 1 1 1 4
Community Services	Library Parks Security	1 6 4 11
Engineering and Planning	Roads Refuse collection Housing Planning	5 14 1 1 21
Strategic Development and Cooperate Services	Skill development Human Resources Labour relation LED Tourism Communications Special programs	1 1 1 2 0 0 1 6

✓ Performance Management

The top management position have been filled (section 57 positions) and performance contract have not been signed and the department of Engineering and Planning have an acting Manager.

✓ Human resources policies

The Municipality is applying the Collective Agreement on Conditions of Services agreed too by the South African Local Government Association (SLGA) and the South African Municipal Workers Union (SAMWU) and Independent Municipal and Allied Trade Union (IMATU).

✓ Capacity Building and Training

Training courses attended during 2006/2007 financial year

Course	Numbers attending	Gender		People with Disabilities (PWD)	Costs
		Male	Female		
Training of Cooperate staff on Employee Wellness Program	5	2	3		R 100 000.00
Training of personal staff on electronic administration of staff benefits	NOT DONE				
Capacity building, Municipal Manager and Finance Manager on computer skills.	2	2			R 30 000.00
Training Finance officials in collection of revenue income and Expenditure	3	2	1		R 100 000.00
Training for personal Assistant	NOT DONE				
Capacity building for councilors	NOT DONE				
Capacity building IT officer	1	1			R 40 000.00

Challenges

The challenge that we have is that the skill audit was prepared and training could not be done as per the audit because the financial constraints.

✓ Human Resources

Activity	Target	Done / Not done	Comments, Way forward
Formulation of a multi media plan	Multi media induction plan by 30 September 2006	Not done	The project has to be stopped because there were going to be internal changes in the institution.
Development of H.R. steering committee	H.R. Steering committee by 31 August 2006	Not done	
Formulation of Employment Equity plan and employment appraisal system.	Employment equity plan and employment appraisal system by 15 December 2006	Done	The employment appraisal system not in place to be considered for 2007/08 financial year.
Recruitment of the personnel	Target was 20 personnel to be employee by 30 June 2007.	Not done	Because of the proposed change of the organizational structure.

✓ Labour Relations

Activity	Target	Done / Not done	Comments, Way forward
Establishment of the Occupational Health and Safety committee.	To an Occupational Health and Safety committee by 31 October 2006	Not done	Local labour Forum was considered to perform the activities of the Occupational Health and Safety committee.
Administration of staff benefits.	To have administered staff benefits by 30 September 2006.	Done	

✓ Internal Audit

The municipality has established an internal audit committee and also there is no employed internal auditor. The council has resolved that the internal audit committee must be established by 2007/08 financial year.

**"because it is the right thing to do"**



**ENGINEERING AND PLANNING DEPARTMENT**

## **3.2 ENGINEERING AND PLANNING DEPARTMENT**

This relates to the provision of infrastructure be it new, upgrading or maintenance thereof.

### **a. Infrastructure**

Massive backlogs in infrastructure have been inherited and constitute a significant service delivery challenge within the Municipality. These include but not limited to:-

#### ✓ Water and Sanitation

This can clearly be defined as the establishment or procurement; where appropriate; operation; management and regulation of a potable water supply system. This includes:

- ✓ The services and infrastructure required for the regulation of water conservation; purification, reticulation and distribution.
- ✓ Bulk supply to local supply points, metering, tariffs setting and debt collection; and provision of appropriate education so as to ensure reliable supply of a sufficient quantity and quality of water and effective water use amongst end-users,
- ✓ Informal households, to support life and personal hygiene.
- ✓ According to Section 156(1) of the Constitution and Section 84(1) Municipal Structures Act, the water and sanitation services function is a district municipality function.

The O.R. Tambo district municipality was declared as Water Services Authority (WSA) in terms of Local Government Municipal Structures Act 117 of 1998 and that mandates the district municipality powers and functions for the planning, provision and maintenance of water and sanitation services.

The communities of approximately 60% of the people living within the municipality do not have access to an RDP level of services (25 liters per person per day, within a maximum of 200 meters walking distance).

Activity	Target	Done / Not done	Comments, Way forward
Draw a service level agreement between O. R. Tambo District municipality	Have a service level agreement for provision and maintenance of water and sanitation facilities by 30 September 2006.	Not done	Involvement of NCOP to address the challenge.  To be fast tracked in 2007/08 financial year.

#### ✓ Electricity

Electricity reticulation means bulk supply of electricity, which includes for the purposes of such supply, the transmission, distribution and, where applicable, the generation of electricity, and also the regulation, control and maintenance of the electricity reticulation network, tariff policies, monitoring of the operation of the facilities for adherence to standards and registration requirements, and any other matter pertaining to the provision of electricity in the municipal areas. According to Section 156(1) of the Constitution and Section 84(1) Municipal Structures Act, the electricity reticulation function is a district municipality's function.



The population of about 90% has no access to the electricity in the municipality; they only depend on candles and other form lighting and cooking purposes.

Activity	Target	Done / Not done	Comments, Way forward
Community awareness on the provision of free basic services as per indigent policy.	Indigent community members aware of the free basic services as defined by municipal policy by 30 July 2006.	Not done	Indigent policy not in place, to be developed in 2007/08 financial year.
Identification of other sources of power, handing over of such services to the indigent community members.	Handing over of free basic services to the indigent community members.	Done	Indigent policy to be developed, and aligned to the provision of free basic services.

#### ✓ Roads

In terms of the municipal demarcation board, powers and function for the Municipal roads is a shared function between the Local sphere and district municipality. This means the construction, maintenance, and control of the road which public uses is the sole responsibility of the municipalities and can be adjusted by the MEC for local government in the province

Ntabankulu Local Municipality utilized a total budget of R 6.1 Million in constructing 20.1 km's of gravel roads. The council noted challenges that led to non maintenance of roads, those challenges were,

- ✓ Financial constraints,
- ✓ Road maintenance plan not in place,

The municipality general lacks good road infrastructure that limits access to social services, employment and economic opportunities and as well general mobility.

Activity	Target	Done / Not done	Comments, Way forward
Develop maintenance plan for machinery for effective use so as to fast track back log within the municipality.	Have machinery maintenance plan by July 2006.	Not done	To be fast tracked in 2007/08 financial year.

#### ✓ Telecommunications

Only 1% of the households within the municipality have access telecommunications. About 99 % of the populations depend entirely too public telephone. This lack of communication system takes it toll by isolating the municipality population and limiting their economic interaction with others.

In view of the above stated backlogs, it is imperative that the provision of basic services to disadvantaged communities is accelerated.

### ✓ Spatial and Land use

Definition: "Municipal planning" means the compilation and implementation of an integrated development plan in terms of Chapter 5 of the Municipal Systems Act 32 of 2000 and the regulations to this act, particularly the regulations published under government notice R796 in 2001: Local Government: Municipal Planning and Performance Management Regulations.

Municipal Planning includes the preparation of **spatial development frameworks**, as a sectoral plan forming part of integrated development plan.

Additionally, in relation to the district municipality "municipal planning" means:

Integrated development planning for the district as a whole, including a framework for integrated development plans of all municipalities in the area of the district municipality.

Additionally, in relation to the local municipality "municipal planning" means:

- ✓ Integrated development planning for the local municipality in accordance with the framework for integrated development plans prepared by the district municipality
- ✓ Development and implementation of a town planning scheme or land use management scheme for the municipality including administration of land use development applications in the form of special consents, rezoning and departures.

According to Section 156(1) of the Constitution and Section 84(1) and (2) of the Municipal Structures Act, the municipal planning function is a shared municipal function, with district and functions as stipulated above.

However, Section 85(1) of the Municipal Structures Act stipulates that the MEC for local government in a province may, subject to the provisions of this section, adjust the division of functions and powers.

There are distinctive differences in the spatial patterns of development (i.e. settlement patterns) in the municipality.

Activity	Target	Done / Not done	Comments, Way forward
Review Spatial Development Framework.	Have reviewed Spatial Development Framework by June 2007.	Not done	Financial constraints. To be reviewed by 2007/2008 financial year.

### ✓ Building and Zoning Plans 2006/2007

Applications outstanding 1 July 2006	Category	Number of new applications received 2006 /07	Total value of applications received Rand	Applications outstanding 30 June 2007
123	Residential new	123	1, 6 million	123
0	Residential additions	0	-	-
2	Commercial	0	330 000.00	-
1	Industrial	3	200 000.00	-
4	Other (specify) Religious site	4	-	4

✓ Community Facilities

A total budget of R 2, 4 million has been utilized to construct sport fields and community centers.

Activity	Target	Done / Not done	Comments, Way forward
Develop policy for community halls as a source of income within the municipality.	Have community hall policy by 30 August 2006.	Not done	There was no discussion document presented to council.  To be fast tracked in 2007/08 financial year.
Conduct community awareness campaigns with land affairs department, so as to acquire land for community development facilities.	Community members aware of land claims and land act by 30 July 2006.	Not done	Budget constraints.

Progress.

Ward	Community Halls	Sport Fields	Pre Schools	Taxi Ranks	Clinics	Schools	Ward offices
1	-	-	-				
2	1	1	0				
3	-	1	0				
4	1	2	0				
5	-	-	-	1			
6	1	1	0				
7	-	-	-				
8	-	-	-				
9	1	2	-				
10	1	0	-				
11	2	0	0				
12	-	-	-				
13	1	-	-				
14	-	-	-				
15	1	1	-				

✓ Housing

The key focus areas for housing relates to:

- Provision of subsidized (low cost) housing,
- The provision of services in informal settlements
- Social Housing as new venture
- Identification of suitable land for housing
- Eradication of Squatter areas

Activity	Target	Done / Not done	Comments, Way forward
Construction of 120 houses in ward 5.	120 houses constructed in ward 5 by 31 March 2007.	Done	Housing sector plan to be developed in 2007/08 financial year,

✓ Challenges

- The provincial department's norms and standard (NHBRC and SABS approved material) versus available budget;
- High material prices – inland transport;
- Project approved 2000/01 financial year implemented with the old subsidy quantum;
- Financial management not up to standard;
- Building teams are not well organized and often community participation in project is inactive;
- The communities that still lives in shacks that are obstructing the construction of the new houses;
- No housing sector plan, policies, regulations and the Spatial Development Framework was not reviewed.

# SOCIAL SERVICES DEPARTMENT



"Everyone has the right to further education, which the state, through reasonable measures, must make progressively available & accessible"

### **3.3 SOCIAL SERVICES**

#### **✓ Health Services**

The National Health Act 61 of 2003 defines 'municipal health services'<sup>1</sup> as:

- (a) water quality monitoring;
- (b) food control;
- (c) waste management;
- (d) control of premises;
- (e) communicable disease control;
- (f) vector control;
- (g) environmental pollution control;
- (h) disposal of the dead; and
- (i) Chemical safety, but excludes port health, malaria control and control of hazardous substances.

According to Section 156(1) of the Constitution and Section 84(1) Municipal Structures Act, the municipal health services function is a district municipality function.

#### **✓ HIV and AIDS**

The municipality's plans during the year under review were to make efforts to fight HIV and AIDS by intensifying community awareness programs at ward level. Traditional leaders, schools and council of churches, and other stakeholders were to be involved in the process.

Activity	Target	Done / Not done	Comments, Way forward
Community Awareness	To a community that is aware of the HIV & AIDS by 30 July 2006	Done	
Recruitment of Home Base Care's	To have a committee of Home base cares by 30 November 2006.	Done	
Education & Training of Home Base care's	To have well capacitated Home Base care's by 30 December 2006.	Done	The induction has been done and the training to be done in the 2007/08 financial year.
Formulate the Data Base for Home Base care's	To have the data base for Home base cares	Done	
Acquire Home base care's kits	To have home base care's kit by 30 November 2006.	Not Done	Financial constraints
Register orphans and vulnerable children.	Orphans and vulnerable children registered in all wards by June 2007.	Not done	To be fast tracked by 2007/08 financial year.
Place orphans and vulnerable children in foster care places.	Foster schools identified for vulnerable children and orphans by June 2007.	Not done	To be fast tracked by 2007/08 financial year.

✓ Library Services

If you can't show me don't tell me. This is great success within social services department. As mentioned earlier on that Ntabankulu municipality is one of the municipalities characterized with high poverty levels and illiteracy levels, the construction of library is a stepping stone towards eradication of illiteracy levels.

Activity	Target	Done / Not done	Comments, Way forward
Library promotion and advertisements.	Have a well known library within the municipality by 27 July 2006	Done	
Career exhibition	Have the students that are aware of the career options that are available in the outside world by the 28 July 2006	Done	
Receive books and material from Department of Sport, Recreation, Arts and Culture.	Have the books and other relevant library material by 30 July 2006	Done	
Awareness Campaigns	Have a community that is aware of the library and what you receive in the Library by 30 January 2007.	Not Done	
Fundraising for the Library opening	Acquired the funds that can be utilized for the in the library by 30 April 2007	Not Done	
Acquire books from the community members	To books that can be utilized in the library by February 2007.	Not Done	
Official opening of the Library	Have the library that is official opened by 30 May 2007	Not Done	

✓ Public Safety

We firmly believe that no development can ensue unless stakeholders are mobilized in their areas of participation. Secondly linked to institutional arrangements we have designed our institution in a form that encourages stakeholder mobilization i.e. establishing public participation unit. This ought to encourage ward committees, community development workers, community police forums to conduct community awareness campaigns on public safety, crime prevention, local economic activities etc.

Activity	Target	Done / Not done	Comments, Way forward
Develop a public safety strategy for the Municipality	To have public safety strategy by 30 October 2006.	Not done	Discussion document was never developed to be presented to the council.
Community awareness program on public safety	To have a community that is aware of the public safety policy by 30 June 2007	Not done	Strategy not in place.
Enforcement of traffic regulations and By-Laws	To have a community that will comply with the regulations and by law by 30 June 2007	Not Done	The By-Laws still with the MEC for comments.
Identification of a Testing ground site	Site identified by 30 January 2007.	Not Done	Land identified still on land claims commission.
Re-establishment of transport forum.	To have a fully functioning forum, that provides direction to the stakeholders by 31 December 2006	Done	

#### ✓ Pound

**Definition:** "Pounds" means the provision, management, maintenance and control of any area or facility set aside by the municipality for the securing of any animal or object confiscated by the municipality in terms of its by laws.

According to Section 156(1) of the Constitution and Section 84(1) and (2) of the Municipal Structures Act, the pounds function is a local municipality function.

However, Section 85(1) of the Municipal Structures Act stipulates that the MEC for local government in a province may, subject to the provisions of this section, adjust the division of functions and powers between a district and a local municipality. This is set out in Section 84(1) or (2) by allocating, within a prescribed policy framework, any of those functions or powers vested – (a) in the local municipality, to the district municipality; or (b) in the district municipality (excluding a function or power referred to in section 84(1) (a), (b), (c), (d) (i), (o) or (p)) to the local municipality. The pounds function may therefore, subject to the provisions stated above, be adjusted by the MEC for local government.

Activity	Target	Done / Not done	Comments, Way forward
Fencing of the Pound site and construction of the security offices.	To have well constructed pound site that is in SPCA standard by 30 September 2006	Done	Fencing done, construction of security offices to be done by 2007/08 financial year.
Development of the pound policy.	Have a pound policy that gives a clear regulation by 30 October 2006.	Not done	
Community awareness campaigns on the pound systems.	To have community that is aware about the policy of the municipality by 30 November 2006.	Not done	



✓ Cemeteries

"Cemeteries, funeral parlours and crematoria" by definition: The establishment conducts and control of facilities for the purpose of disposing of human and animal remains. The council has a responsibility to provide a safe area for the people to bury their loves ones and it must be up to standard with all the facilities provided and that was planned none was achieved for the financial year in question

Activity	Target	Done / Not done	Comments, Way forward
Develop the cemetery policy and the maintenance plan	To have a policy adopted by the council by 30 November 2006.	Not Done	
Grave numbering to be completed.	To have numbered graves by 30 October 2006.	Not Done	Policy not in place to regulate such an activity.
Zone the grave plots according to measurements.	To have zoned graves by 15 October 2006	Not Done	
Maintenance of the Cemetery	To ensure well maintained cemetery by 30 October 2006.	Not Done	Financial constraints

# STRATEGIC DEVELOPMENT AND PLANNING DEPARTMENT



Ntabankulu Optimism behind poverty



## **3.4 STRATEGIC DEVELOPMENT AND CORPORATE SERVICES**

### **DEPARTMENT**

#### **3.4.1 Local Economic Development (LED)**

This area is regarded as a key aspect in improving the quality of life of all citizens as dealing with the issue of high unemployment rates in the area focusing on programmes to address unemployment, skills development, industrial development and support to business. Local economic development section realizes **stakeholder management** as a basis of internal and external communication process for local economic development.

Key objectives of the section are aligned to the Eastern Cape Growth and Development Strategy, ASIGISA, Nation address by the President, OR. Tambo District Municipality IDP, O. R. Tambo Growth Development Summit agreement, municipal vision and mission, thus

- Building the capacity of local community members and other local stakeholders to plan and manage local economic development.
- Stimulating and developing partnerships to plan and implement sustainable Local Economic Development projects
- Facilitating business growth (especially Small & Medium Enterprises) and lever private investment that will specifically benefit the poor.
- Monitoring and evaluating LED with a view to understand its impact and share learning's.

#### ✓ **Core functions of the Section**

The section aims at managing and providing strategic direction for the LED program in the area by:

- Managing all stakeholders involved and customer relationship
- Assisting and advising local communities to plan, package and implement their Local economic development programs and projects;
- Negotiate and secure government, private and donor finance;
- Identification of interest groups as per potential commodities,
- Developing human capital and productivity; and
- Focusing on community-based economic development
- Disseminating learning's on LED through producing information products;
- Monitor and evaluating local economic development (Outsourced);
- Networking and connecting the activities of LED participants;
- Facilitating and managing project identification, packaging and guiding project processes;
- Reporting/Advising Management, Portfolio Councilors, Executive Committee
- Marketing the area providing marketing assistance and support to businesses from the area by branding Ntabankulu's products.
- Building of Institutional Models e.g. Cooperatives, Community Trusts

- Preparing and implementing technically good, viable and sustainable LED components for Integrated Development Plans (IDP's), in alignment with the Provincial Growth and Development Strategy (PGDS); ASIGISA program, State of the Nation Address etc.

This is the reason why the council adopted a Local Economic Development Strategy in 2004/05 financial year and further revised the strategy in 2006/07 to guide local economic development in the area. The strategy looks at the municipality at large and the key areas are as follows:-

- LED Crop farming
- LED Live stock & poultry
- LED SMME Development
- Tourism development
- Sand mining and quarry development
- Forestry development

✓ LED Crop farming 2006 / 07

Activity	Target	Done / Not done	Comments, Way forward
Identification of Land for secondary co-operatives centre and Hydroponics centre.	Land identified and released by 15 October 2006.	Not done	The land is still on land claims commission.
Land preparation for Madwakazana project.	To have prepared land for crop farming by 15 Nov 2006.	Not done	Challenges with municipal machinery for land preparation.
Completion of the Fencing for all crop farming projects for their sustainability and implementation therefore.	Well fenced projects by 31 November 2006.	Done	

✓ LED live stock & poultry farming

Activity	Target	Done / Not done	Comments, Way forward
Research on ISRDP projects that are run by the Ntinga Development agency and O.R. Tambo DM	Compile the status quo report as per the project by 20 January 2006.	Done	All projects incorporated and registered as co-operatives. Challenges identified need to be attended Ntinga, Ntabankulu and O.R. Tambo DM.
Study tour for the infrastructure and machinery for the poultry project	To have the list of the machinery that is being used in these kinds of projects and also to have the financial implications by 5 <sup>th</sup> December 2006.	Not Done	LED Officer and LED clerk to be sent for the training for the poultry farming in the 2007/08 financial year.
Lobby of funds for the implementation of all cooperatives activities	Availability of funds for all registered cooperatives by 30 June 2007.	Not done	The certificates for the cooperatives have not been received from the service provider.

✓ LED SMME Development

Ntabankulu Local Municipality commissioned a service provider to conduct a baseline study, education and training, registration of co operatives and establishment of a cooperative development centre.

The main objectives of the baseline study were the following:

- Identification of project beneficiaries,
- Identification of training needs and support needs, thereby training and capacity building
- Identification of economic development opportunities in general and markets.
- Constitution and business planning for all cooperatives.
- Monitoring, evaluation and technical support to existing and registered co-operatives.

The co operative development strategy has been developed to respond to key socio-economic priorities of the area as reflected in the Eastern Cape Provincial Growth and Development Strategy as well as the Ntabankulu Integrated Development Plan. The Eastern Cape Provincial Growth Development Strategy and Ntabankulu Integrated Development Plan both emphasize the need for the stimulation of high levels of employment through various sectors of the economy. Under this strategy small project undertakings were joined willingly to form primary cooperatives at ward level specializing in particular products of comparative advantage. This strategy goes further to say these primary cooperatives will then willing join to form secondary cooperatives at a Municipal level also according to products they produce. Evidently such a strategy will ensure easy access funding; training opportunities; create and develop income generating opportunities; strengthen their competitiveness; and most importantly would rally the people of Ntabankulu behind a particular mission: **the total defeat of poverty**.

Activity	Target	Done / Not done	Comments, Way forward
Identification of the beneficiaries and research of the sustainability of the projects.	To have the identified beneficiaries and research thereof for the sustainability of project by 15 December 2006.	Done	Council adopted the Co – operative development strategy.
Updating data for Hawkers and registration	Data base for hawkers by 15 August 2006.	Done	The data base for Hawkers must be incorporated in the Spatial Development Framework.
Formation of the Ntabankulu Development Agency as a business support centre for the cooperatives and SMME's	Formation of the Ntabankulu Development agency by 1 <sup>st</sup> September 2006.	Not Done	Service provider to be appointed to conduct the feasibility study of the development agency by 2007/08 financial year.

✓ Tourism Development

Activity	Target	Done / Not done	Comments, Way forward
Identification of project beneficiaries for Arts and Crafts Centre from the collected data	Identified project beneficiaries and trained project beneficiaries as per skill audit by the 30 September 2006.	Done	Co-operatives registered but not trained. Co-operatives members to be trained 2007/08
Renovation and Redesigning of the existing structure	Production house, production of wood work, bead work, ceramics, tapestry pottery and traditional garments ect. Construction of Market stalls and Storeroom by the 30 October 2006.	Not Done	Business Plan is on place for the renovation of the existing structure. The amount of R420 000.00 has been secured but it is not adequate to complete the project.
Finalization of the Environmental Impact analysis for Ntabankulu Dam.	Have compiled Scoping report on the ideas of the affected parties and compiled report on the damage if any to the natural environment by the 30 October 2006.	Done	
Construction of Ntabankulu Dam Recreational Facilities.	Finalization of the Business Plan and the Construction of a Mini Hotel, conference centre, information Building by the 30 June 2007	Done	The business plan on place, the construction has not taken place and the amount of R2 million has been secured but not enough to complete the project.
Development of a Tourism strategy for development of identified tourist attractions as per IDP document e.g. Lallashe etc.	Have Tourism Strategy and development of tourist destination by 30 June 2007.	Done	
Re-development of Marketing & Communication Strategy.	To have an adopted marketing & Communication Strategy. Investigating of the interested investors in Ntabankulu by 30 September 2006.	Not done	The contract with service provider appointed to do marketing & communication strategy was terminated and new service provider to be appointed.

Finalization of tourism Brochure and finalization of the Ntabankulu website.	Have the tourism brochure and a marketable destination. Have the ntabankulu website as marketing tool by 30 January 2007.	Done	The Ntabankulu Local municipality Tourism brochure not done and to be planned and budget for in the 2007/08 financial year.
Cleaning campaigns	To have an adopted proposal for cleaning campaign and also identify the project beneficiaries. Implementation thereof by 15 September 2006	Done	The implementation not started, project beneficiaries to be trained as co-operative.
Improvement of the Signage & Town Planning	Contribution to ntabankulu revenue. Improvement of signage (directions to Ntabankulu)	Not done	Non-availability of the funds approached the provincial government for funding.

✓ Sand mining and quarry development

By carefully scoping the area the municipality has realized a great potential in following the LED principles of utilizing the local resources for the beneficiation of the communities of Ntabankulu. The geological research on desktop and referring to studies conducted by Department of Water Affairs, poses this area as rich in the minerals like coal, limestone, sandstone and shale. Ntabankulu municipality commissioned Ikamva to conduct feasibility study of sand mining and Quarry development. The intention of the Local Municipality is to open up opportunities for private investment and to create job opportunities for the citizens of Ntabankulu Local Municipal Area. The overall objective though is to enhance local communities' participation in Local Economic Development especially in the mining sector like sand and quarry in order to regulate individual's beneficiation from communities' natural resources.

Recommendation of the feasibility study to implemented in 2007/08 financial year.

The professional service provider was appointed to conduct a feasibility study of the sand mining and quarry development for the municipality.

### Objectives of the study

- Identify applicable legislative requirements and review of existing documentation and studies on sand mining and quarry development.
- Quantify the sand mining spots in the entire Ntabankulu Municipal Area
- Determine the sand volumes and the possible life span
- Identify the suitable area for quarrying activities in the entire Ntabankulu Municipal Area and determine the potential and life span for such an activity.
- To develop a model for enhancing community participation in the management of the natural resource.

### ✓ Forestry Development

It is envisaged that for a forestry sector to be developed in Ntabankulu and to be sustainable in the long term, communities and their members would need to derive direct benefits. Further, experience has shown that where forestry development is integrated into broader, people-centered, economic development, where partnerships and complimentary activities play an important role, that there is a greater likelihood of wide-scale acceptance by local communities due to the benefits that the local people are able to enjoy. The value of environmental services in the form of clean water and such like, non-timber forest products such as medicinal plants and grazing all contribute to the benefits that forestry can offer.

There are number appropriate steps that have been done to ensure sustainable forestry development. The first step in the process was a feasibility assessment to scope the areas potentially suitable for forestry, considering governance, social, economic, environmental and technical issues. The scoping exercise has identified the most viable forestry areas, provides some insight of the products, volumes and markets for forest products and proposed ways of progressing the preferred options. Consideration would also need to be given to the various options for forestry and possible combinations of these.

It is against this background that Ntabankulu Municipality appointed a service provider to conduct a feasibility study of forestry sector for entire municipality area.

Recommendations of the feasibility study are to be implemented in the 2007/08 financial year.

### Objectives of the Study

- Identify and to enhance a number of potential opportunities and ways through which forestry sector could developed;
- To determine a plan required to maximize the opportunities focusing on the negative and the positive impacts on the proposed developments;
- To develop a current state of situation and swot report of the forestry sector;
- To create a favorable environment, increasing an opportunity for sustainable growth and capacity building, empowering social change in Ntabankulu through usage of forestry resources;
- To explore opportunities of attracting investment so as to boost our local economy, inculcating a culture of participation in communities and transformation.



# FINANCE AND INFORMATION TECHNOLOGY DEPARTMENT



## CHAPTER 4: FINANCIAL INFORMATION & MANAGEMENT AND AUDITED FINANCIAL STATEMENTS.

### **4.1 Background**

The sound and responsible management of our financial resources is vital to ensure that services are delivered on an equitable and sustainable basis. The implementation of new Municipal Financial legislation places a firm responsibility on local government to ensure the effective and accountable management and utilization of its financial resources.

The council has noted serious and ongoing challenges faced by the municipality:

- ✓ Low collection rate of revenue; particularly from the rates and services rendered by the municipality to the communities under its jurisdiction;
- ✓ High rate of unemployment which is unfortunately a direct result of the non-payment of services.
- ✓ We also have a challenge to grow our revenue base as we seek to progressively reduce the extent of reliance on Provincial and National government funding.

To address these challenges the municipality has now involved the councilors, community development workers and ward committees to convey the message to the communities and encourage them to pay their outstanding debts.

The council resolved that financial resources must be linked to social and digital solidarity; and be channelled through existing and new financial mechanisms.

It is against this background that finance department prepared service delivery and budget implementation plan for 2006/07 financial year.

### **4.2 Revenue**

<b>Activity</b>	<b>Target</b>	<b>Done / Not done</b>	<b>Comments, Way forward</b>
Review of the data base for all the indigent people.	To have a reviewed indigent register by 30 September 2006	Not Done	Public participation unit to be established within the municipality for the collection of data from all wards.
Development of the indigent policy.	To have a reviewed indigent policy 30 August 2006.	Not done	Outstanding information to guide policy development.
Development of policy on property rates	To have a property rates policy 30 August 2006.	Not Done	Budget constraints, to be budget for during 2007/08 financial year.
Preparation of the General valuation roll.	To have a general valuation roll by 30 September 2006.	Not Done	Spatial development Framework to be linked to general valuation roll.
Formulation of the tariff policy for business, SMME's around the town.	To have a tariff policy for SMME's and Business around town for the revenue enhancement by 30 July 2006	Not Done	
Investigation of the possible sources of income.	Have a list of the possible investors and other business that are willing to invest in the municipality by 30 June 2007	Done	

### 4.3 Supply Chain Management

Activity	Target	Done / Not done	Comments, Way forward
Review of the Supply chain Management policy.	Have the reviewed supply chain management policy by 30 January 2007.	Not Done	Clear analysis of the existing document, identification of gaps so as to meet needs of Ntabankulu Local Municipality.
Familiarizing the municipality official on the guiding lines of the supply chain management.	Have the staff that is aware about the supply chain management policy and the regulations by 30 March 2007.	Not Done	Review of the policy to lead induction process was not done.
Review of the data base registration forms for all suppliers.	To have the reviewed data base registration forms of the municipality by 30 March 2007	Done	
Prepare the needs analysis of equipment and furniture within the municipality.	Needs analysis and implementation as per need to be finalized by 30 January 2007	Done	Needs analysis to be done on annual basis.

### 4.4 Asset management

Activity	Target	Done / Not done	Comments, Way forward
Draft the asset management policy and regulations.	To have the asset management policy and regulations by 31 august 2006.	Not Done	To be developed in 2007/08 financial year.
Consolidate all municipal assets and equipment.	Have a consolidated municipal asset register by 30 June 07	Not Done	Asset management policy to guide the activity is still not in place.
Review a strategy for control of the municipal assets.	Have a strategy for control of municipal assets within the municipality by 30 June 07	Not Done	To be developed in 2007/08 financial year.

### 4.5 Information Technology

Activity	Target	Done / Not done	Comments, Way forward
Conducting the audit analysis for the municipal equipments and computers	An audited report on the status of the municipal assets by 30 September 2006.	Done	
Development of the Information Technology policy for the municipality.	Have a policy on Information technology by 31 November 2006	Not Done	Not done due to the proposed change in the organizational structure of the municipality. To be done in 2007/08 financial year.
Purchase of all the necessary information Technology equipment	To have all the equipment by 30 September 2007.	Done	
Lobby funds and equipment from relevant stakeholders.	To have additional computers and other necessary funding by 30 August 2006.	Done	There is still need for more funding and necessary equipment i.e. computers, scanners and printers etc.

## **4.6 ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

### **TABLE OF CONTENTS**

- 4.6.1 General information
- 4.6.2 Treasurer's Report
- 4.6.3 Accounting Policies
- 4.6.4 Balance Sheet
- 4.6.5 Income Statement
- 4.6.6 Cash Flow Statement
- 4.6.7 Notes to the annual financial statements

### **APPENDICES:**

- A. Statutory funds, trust funds, projects funds and reserves
- B. Analysis of property, plant and equipment
- C. Analysis of operating income and expenditure
- D. Detailed income statement
- E. Statistical information

#### **4.6.1 GENERAL INFORMATION FOR THE YEAR ENDED 30 JUNE 2007**

##### **MEMBERS OF THE EXECUTIVE COMMITTEE**

- |    |                      |   |
|----|----------------------|---|
| 1. | <b>P.S. Matshoba</b> | <i>Mayor</i>  |
| 2. | <b>F. Matiwane</b>   | <i>Social Services – Portfolio Head</i>                               |
| 3. | <b>M. Madikizela</b> | <i>Head of Finance</i>  |
| 4. | <b>T. Pikwa</b>      | <i>Strategic Development – Portfolio Head</i>                         |
| 5. | <b>N.L. Ndamase</b>  | <i>Engineering &amp; Infrastructural Development – Portfolio Head</i> |

##### **OTHER COUNCILLORS**

###### **Madam Speaker: S. N. Ntlahla**

- |     |                         |  |
|-----|-------------------------|--|
| 1.  | <b>S. Nompula</b>       | <i>Councillor - Chief whip</i>   |
| 2.  | <b>T.R. Luvela</b>      | <i>Councillor – Finance Chairperson</i>  |
| 3.  | <b>P. Ndabeni</b>       | <i>Councillor</i>  |
| 4.  | <b>J.J.J. Ntlabathi</b> | <i>Councillor</i>  |
| 5.  | <b>S. Ngcuka</b>        | <i>Councillor</i>  |
| 6.  | <b>M. Luhabe</b>        | <i>Councillor</i>  |
| 7.  | <b>A.N. Ntamo</b>       | <i>Councillor- Strategic Development Chairperson</i>                             |
| 8.  | <b>D.M. Gadallane</b>   | <i>Councillor</i>  |
| 9.  | <b>S. Sothangane</b>    | <i>Councillor- Social Services Chairperson</i>                                   |
| 10. | <b>M. Mtakasi</b>       | <i>Councillor</i>  |
| 11. | <b>S. Sigudla</b>       | <i>Councillor</i>  |
| 12. | <b>M. Gweqani</b>       | <i>Councillor</i>  |
| 13. | <b>Z.W. Gandela</b>     | <i>Councillor</i>  |
| 14. | <b>F.N. Mndela</b>      | <i>Councillor</i>  |
| 15. | <b>L. Ntantini</b>      | <i>Councillor- Engineering &amp; Infrastructural Development<br/>Chairperson</i> |
| 16. | <b>P. Mthenjwa</b>      | <i>Councillor</i>  |
| 17. | <b>M.G. Diko</b>        | <i>Councillor</i>  |
| 18. | <b>M. Thyalibhongo</b>  | <i>Councillor</i>  |
| 19. | <b>N.G. Diko</b>        | <i>Councillor</i>  |
| 20. | <b>A.N. Sigcau</b>      | <i>Councillor</i>  |
| 21. | <b>A.B. Diko</b>        | <i>Councillor</i>  |
| 22. | <b>G.T. Khantini</b>    | <i>Councillor</i>  |
| 23. | <b>M.G. Magatyana</b>   | <i>Councillor</i>  |

#### **4.6.1 GENERAL INFORMATION (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2007**

##### **GRADE OF LOCAL AUTHORITY**

Grade 2

##### **AUDITORS**

Auditor-General

##### **BANKERS**

-Meeg Bank

-Standard Bank

##### **REGISTERED OFFICE**

Erf 85 Main Street

Ntabankulu

5130

Telephone: 039 – 258 0056

Facsimile: 039 – 258 0003

##### **MUNICIPAL MANAGER**

T.L. Manda

##### **CHIEF FINANCIAL OFFICER**

M. Mkatu

##### **APPROVAL OF FINANCIAL STATEMENTS**

The annual financial statements set out on pages 1 to 25 were approved by the Municipal Manager and the Chief Financial Officer on 31 August 2007.

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**MUNICIPAL MANAGER**

**(Accounting Officer)**

**31 August 2007**

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**CHIEF FINANCIAL OFFICER**

**31 August 2007**

#### **4.6.2 TREASURER'S REPORT FOR THE YEAR ENDED 30 JUNE 2007**

##### **a. INTRODUCTION**

An appropriate legislation was complied with in order to provide statements for the year ending 30 June 2007. To the best of my knowledge these financial statements are a fair presentation of the Council at the end of the abovementioned date and the results of its operations for the year then ended.

##### **b. REVIEW OF OPERATING RESULTS**

Presented below is a summary of operating results in respect of the year ended 30 June 2007. Detailed operating results are presented on Appendices C and D.

<b>INCOME</b>	<b>Actual 2005/06</b>	<b>Actual 2006/07</b>	<b>Variance Actual 05/06 VS Actual 06/07 %</b>	<b>Budget 2006/07</b>	<b>Variance Actual / Budget %</b>
Operating Income for the year	25,017,512	34,688,823	38%	42,348,050	(18%)
	<b>25,017,512</b>	<b>34,688,823</b>	<b>38%</b>	<b>42,348,050</b>	<b>(18%)</b>
<b>EXPENDITURE</b>					
Operating expenditure	10,016,410	26,057,134		29,831,143	(12%)
Capital expenditure	11,059,291	10,592,730		12,321,925	
Contributions to Funds		-		135,000	
	<b>21,075,701</b>	<b>36,649,864</b>	<b>73%</b>	<b>42,288,068</b>	<b>(13%)</b>
Surplus / (Deficit)	<b>3,941,811</b>	<b>(1,961,041)</b>	<b>-</b>	<b>59,982</b>	<b>-</b>

**TREASURER'S REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2007****c. COMMENTARY ON THE OPERATING RESULTS**✓ Revenue

The total revenue was below the budget by 18%. This can largely be attributed to the Municipal Infrastructure Grant (MIG) which was below budget by R2m. Furthermore, the municipality had budgeted rates of R2.2m, however, it was only able to recognize rates of R1.3m during the year.

✓ Operational expenditure

Total operational expenditure budget amounts to R29 831 143 and the capital expenditure budget amounts to R12 321 925 resulting in an overall expenditure budget of R42 153 068. Actual operational expenditure is R26 057 134 and actual capital expenditure is R 10 592 730 resulting in an overall actual expenditure of R36 649 864.

The total operating expenditure is below the budget by 12%. This saving can largely be attributed to a reduction in general expenditure of 25% and repairs & maintenance of 16%.



## **TREASURER'S REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2007**

### **d. CAPITAL EXPENDITURE AND FINANCING**

Total fixed asset additions during the year amounted to R10 592 730 (2006: R11 059 291). They are made up as follows:

<b>Capital expenditure category</b>	<b>Budget 2007</b>	<b>Actual 2007</b>	<b>Variance Budget / Actual</b>	<b>Actual 2006</b>
Buildings- Pound & MPCC	1,000,000	991,594	8,406	-
Community Centres	2,411,925	2,489,015	(77,090)	-
Fencing	300,000	317,056	(17,056)	43,645
Furniture and Office Equipments	90,000	84,300	5,700	832,365
Vehicles	470,000	-	470,000	1,497,276
Library Equipments	50,000	652	49,348	63,584
Pre- Schools	200,000	-	200,000	-
LED Projects	2,000,000	1,338,013	661,987	-
Access Roads- MIG	5,800,000	5,372,100	427,900	50,307
General Improvements	-	-	-	13,478,121
Plant and Equipment	-	-	-	3,640,383
	<b>12,321,925</b>	<b>10,592,730</b>	<b>1,729,195</b>	<b>19,605,679</b>
<b><u>Financing of Fixed Assets</u></b>				
Contribution from current Income	<b>12,321,925</b>	<b>10,592,730</b>	<b>1,729,195</b>	<b>19,605,679</b>
Contribution from Other Sources				-
Grants and Subsidies				-
	-	-	-	-

**TREASURER'S REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2007****d. CAPITAL EXPENDITURE AND FINANCING (continued)****✓ Commentary on capital expenditure and financing**

The capital expenditure was below budget by 14%. The major contributing factors to the under-spending were: Road construction (R427 900); Vehicles (R470, 000) and LED Projects (R661 987).

The total amount of the capital expenditure was financed through unconditional grant subsidies, a VAT refund of R5.3 million and reserves.

**e. EXTERNAL LOANS INVESTMENTS AND CASH**

The municipality has no external loans.

The R10m decrease in accumulated funds is due to prior errors identified in current year. The overall deficit of R1.9m was financed through the VAT refund of R5.3m.

The increase in short-term investments can be partly attributed to a call account with R2.2m balance at 30 June 2006 which was not reflected in the accounting records in prior year. The balance of this account at the end of 30 June 2007 amounted to R702, 286

**f. POST BALANCE SHEET EVENTS**

No material events have occurred since the balance sheet date.

**g. EXPRESSION OF APPRECIATION**

I am grateful to the Mayor, the Executive committee of the Council, the Council, the Municipal Manager for the support they have given me and to the staff of the Finance Department and the local representatives of the Auditor-General for their assistance and support during the year.

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**M. Mkatu**  
**Chief Financial Officer**  
**31 August 2007**

#### **4.6.3 ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2007**

##### **a. Basis of presentation**

- ✓ The financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Treasures and Accountants in its Code of Accounting Practice (1997) and on Report on Published Annual Financial Statements (Second edition – January 1996).
- ✓ The financial statement are prepared on the historical costs basis, adjusted for fixed assets as more fully detailed in Accounting Policy note 6. The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.
- ✓ The financial statements are prepared on the accrual basis as stated:
  - Income is accrued when measured and available to finance operations. Certain direct income is accrued when received, such as finances and certain licences.
  - Expenditure is accrued in the period it is incurred.

##### **b. Revenue**

Revenue comprises of assessment rates and refuse income receivable for the year, sundry income and grant income which is either conditional or unconditional.

Assessment rates are levied at an approved annual rate on the value of land and buildings. Refuse is levied at approve monthly flat rates. Sundry income is accounted for on a cash receipt basis.

Government and related grants are recognized as revenue on an accrual basis and in accordance with the funding institution's annual disbursement plan as they relate to municipal statutory annual reporting period.

##### **c. Project funds**

Project funds are representative of external funding received in the past and set aside for pre-identified individual projects or a pre-defined general nature of intervention.

##### **d. Reserves**

Reserves are conditional grants previously granted to the municipality for pre-specified purposes.

##### **e. Accumulated surplus**

Accumulated surplus reflects the residual of revenue against the sum of operating and capital expenditure reduced by any other appropriations.

##### **f. Property, Plant and Equipment**

- ✓ Property, plant and equipment is stated at cost or valuation where assets have been acquired by grant or donation, while they are in existence and fit for use.
- ✓ Depreciation: The balance shown against the heading "Loans Redeemed and other Capital Receipts" in the notes to the balance sheet is tantamount to a provision for depreciation; however certain structural differences do exist. Through this "provision" assets are written down over their estimated useful life.

In the case of operating income the full cost of the acquired asset becomes a direct charge to the income statement. Loans are repaid within the estimated useful lives of assets acquired through such loans. The cost or value of such asset as financed is immediately credited to the "Loans Redeemed and other Capital Receipts" accounts.

- ✓ Property, plant and equipment financed from different sources of funding which include external loans, designated or general grant subsidy income, operating income and various accumulated council funds.
- ✓ All net proceeds from the sale of fixed assets are credited to the revolving fund.

**g. Investments**

Investments are stated at the lower of cost or market value if a permanent decline in the value occurred.

**h. Retirement benefits**

It is the policy of the council to provide retirement benefits for its personnel. Contributions to retirement benefits are charged against income as incurred.

**i. Provisions**

Provisions are recognized when the municipality has a present or a constructive obligation as a result of past events and is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

**4.6.4 BALANCE SHEET AT 30 JUNE 2007**

	Notes	2007	2006
		R	R
<b>ASSETS</b>			
NON-CURRENT ASSETS		203,192	8,916,427
Property, plant and equipment	1	-	8,546,390
Long-term debtors	2	203,192	370,037
CURRENT ASSETS		16,640,957	21,988,376
Accounts receivable	3	4,427,473	13,111,228
Short term investments	4	11,095,051	8,877,148
Cash and cash equivalents		1,118,433	
<b>TOTAL ASSETS</b>		<b>16,844,149</b>	<b>30,904,803</b>
<b>FUNDS AND LIABILITIES</b>			
FUNDS AND RESERVES		3,004,961	11,765,879
Funds ( Project funds)	5	9,245,373	7,621,331
Accumulated surplus		-6,240,412	4,144,548
NON-CURRENT LIABILITIES		-	97,062
Long-term Liabilities	6	-	97,062
CURRENT LIABILITIES		13,839,188	19,041,862
Accounts payable	7	7,386,956	1,332,156
Provisions	8	1,031,053	16,322,776
Bank overdraft	9	5,421,179	1,386,930
<b>TOTAL FUNDS AND LIABILITIES</b>		<b>16,844,149</b>	<b>30,904,803</b>

#### 4.6.5 INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

2005/06 R	2005/06 R	2005/06 R			2006/07 R	2006/07 R	2006/07 R
Actual Income	Actual Expenditure	Surplus / (deficit)		Note	Actual Income	Actual Expenditure	Surplus / (deficit)
25,017,512	21,075,701	3,941,811	<b>GENERAL ADMINISTRATION</b>		34,688,823	36,649,864	(1,961,041)
			Community services		34,527,484	36,041,815	(1,514,331)
			Economic services		161,339	608,049	(446,710)
<u>25,017,512</u>	<u>21,075,701</u>	3,941,811	<b>TOTAL</b>		<u>34,688,823</u>	<u>36,649,864</u>	(1,961,041)
		<u>3,941,811</u>	Surplus / (Deficit) for the year				<u>(1,961,041)</u>
		<u>202,738</u>	Accumulated surplus / (Deficit) at the beginning of the year				<u>4,144,548</u>
			Prior year adjustments				
		<u>202,738</u>	Adjusted accumulated surplus / (Deficit) at the beginning of the year	11			<u>(8,423,919)</u>
		<u>4,144,549</u>	Accumulated surplus/ (Deficit) at the end of the year				<u>(6,620,412)</u>

#### **4.6.6 CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007**

	Note	2007 R	2006 R
<b>CASH RETAINED FROM OPERATING ACTIVITIES</b>		<b>(178,554)</b>	<b>17,391,263</b>
Cash generated from operations	13	207,769	14,661,737
Investment income		-	1,399,776
Increase / (Decrease) in working capital	14	(386,324)	1,329,750
Contributions from Public or Government			
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		<b>(2,046,340)</b>	<b>(20,666,092)</b>
Purchase of property, plant and equipment		(2,046,340)	(20,666,092)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>1,526,980</b>	<b>(6,731,738)</b>
Increase/(Decrease) in Funds		1,624,042	(6,476,076)
Decrease in Long-term Liabilities		(97,062)	(255,662)
Net cash Inflow/(Outflow)		<b>(697,914)</b>	<b>(10,006,567)</b>
Increase/(Decrease) in short-term investments		2,217,903	(6,081,590)
(Decrease) / Increase in cash on hand		(2,915,817)	(3,924,977)
Net Cash Generated/(Utilised)		<b>(697,914)</b>	<b>(10,006,567)</b>

**4.6.7 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

	2007	2006
	R	R
<b>1. PROPERTY, PLANT AND EQUIPMENT</b>	<b>-</b>	<b>8,546,390</b>
Total property, plant and equipment	56,250,127	19,605,680
Balance at the beginning of the year	19,605,680	15,020,527
Adjustment	36,644,477	
Capital expenditure during the year	10,592,730	4,585,153
Loans redeemed	-	(11,059,290)
Contribution from grants and subsidies	(56,250,127)	
Contribution from revenue		
Detailed analysis of property, plant and equipment is Presented on appendix "B"		
<b>2. LONG-TERM DEBTORS:</b>	<b>203,192</b>	<b>370,037</b>
Computer Loans & Motor Vehicles	32,917	199,322
Councilor's Pension Fund	170,275	170,275
Study Loans	-	440
<b>3. ACCOUNTS RECIEVABLE</b>	<b>4,427,473</b>	<b>13,111,228</b>
<b>3.1 Customer Debtors</b>	<b>2,740,700</b>	<b>2,675,572</b>
Trade accounts receivable	4,020,345	3,955,217
Provision for doubtful debts	(1,279,645)	(1,279,645)
<b>3.2 Sundry debtors</b>	<b>1,686,773</b>	<b>10,435,656</b>
Other accounts receivable	-	1,322,308
Vat	-	3,344,490
Creditors with debit Balances	-	3,867,063
Salary suspense debtor	-	212,893
OR Tambo water and Sanitation	1,686,773	1,686,773
Short-term portion of long-term debtors	-	2129



**4.6.7 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2007**

	2007	2006
	R	R
<b>4. SHORT-TERM INVESTMENTS</b>		
Capital projects/equitable share call account	-	(1)
Local Economic Development(LED) call account	-	1,465
471 Housing call account	1,272,165	81,505
Bomvini call account	84,748	523,696
Councilors allowances call account	-	1,855,499
Free Basic electricity call account	1,283,567	871,144
Free Basic Services	779,466	788,440
Free Basic Water call account	682,468	171,460
Housing project call account	-	150,856
Institutional development call account	1,278,024	118,513
Institutional development plan (IDP)	177,920	275,357
Leave reserve call account	275,357	5,362
Mbongweni Fund call account	5,358	2,425
Mfundisweni fund call account	2,366	1,168,549
Municipal support programme	222,086	185,698
Poverty alleviation call account	193,102	-
Revolving Credit	-	72,945
Tender fees call account	75,803	137,893
Transitional grant call account	225	391,854
Revolving fund call account	185,577	1,017,139
Vukani Mangqamza call account	1,058,318	98,375
Chibini call account	102,024	220,996
Finance Management Grant call account	391,383	101,662
Isilindini call account	105,710	517,678
Municipal Systems Improvement Grant (MSIG) call	652,587	63,540
Operations call account	693,884	-
Rentention Call Account	701,941	-
MIG Call Account	702,287	-
Capital Project call account	168,687	55,095
	<b>11,095,051</b>	<b>8,877,148</b>

**4.6.7 NOTES TO THE FINANCIAL STATEMENT**  
**(continued)** for the year ended 30 June 2007

	2007	2006
	R	R
<b>5. FUNDS</b>	<b>9,245,373</b>	<b>7 522 956</b>
<b>5.1 Statutory Funds</b>	<b>185,577</b>	-
Revolving fund	185,577	-
<b>5.2 Trust Funds</b>	<b>177,920</b>	-
IDP	177,920	-
<b>5.3 Project Funds</b>	<b>8,881,876</b>	<b>7 522 956</b>
471 Housing	1,272,165	1,465
Bomvini Fund	84,748	81,505
Chibini Sports Field	102,024	749
Chibini Survey and Planning	-	98,376
Finance Management Grant	391,383	220,996
Free Basic Electricity fund	1,283,567	1,855,500
Free Basic Services fund	779,466	871,144
Free Basic Water fund ( Isilindini Community Hall)	682,468	788,440
IDP Fund	-	118,513
Institutional Fund	1,278,024	150,856
Mbongweni Fund	5,358	5,362
Mfundisweni Fund	2,366	2,425
Municipal Infrastructure	702,287	-
Municipal System Improvement (MSIG)	682,586	517,678
MSP Fund	222,086	1,168,549
New Community Hall	-	28,286
Nzwakazi Sports Field	-	749
Poverty alleviation	193,102	185,698
Transitional Fund	225	137,893
Vukani Mangqamza Fund (Isilindini Survey)	1,164,028	1,118,801
Yandlala Mpisini	35,992	-

**4.6.7 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

	2007	2006
	R	R
<b>6. LONG-TERM LIABILITIES</b>		
Long-term loans	-	97,062
This relates to a Development Bank of Southern Africa (DBSA) loan.		
<b>7. ACCOUNTS PAYABLE</b>	<b>7,386,956</b>	<b>1,332,156</b>
Trade creditors and accruals	561,737	561,737
Other Creditors	6,825,219	770,419
<b>8. PROVISIONS</b>	<b>1,031,053</b>	<b>16,322,776</b>
Leave pay provision	668,287	668,287
Accounting and Audit fees provisions	362,766	750,626
Sundry provisions at year end	-	14,903,863
<b>9. BANK AND CASH</b>	<b>(4,302,745)</b>	<b>(1,386,930)</b>
Cash on hand	107,954	101,652
Meeg Bank Main Account	(5,421,179)	(2,649,564)
First National Bank Main Account	953,744	953,744
Standard Bank Housing Account	20,741	171,298
Standard Bank Yandlala Mpisini Account	35,992	35,940
<b>10. COUNCILLORS' REMUNERATION</b>	<b>7,314,277</b>	<b>2,306,540</b>
Mayor's allowances	1,655,845	1,080,116
Councillor's allowance	5,658,432	1,226,424
<b>11. PRIOR YEAR ADJUSTMENTS</b>	<b>(8,423,919)</b>	-

The prior year adjustment relates to errors identified in Funds, Investments and Fixed Assets. This adjustment corrects these fundamental errors.

**4.6.7 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2007**

	2007	2006
	R	R
<b>12. CAPITAL COMMITMENTS</b>		
Commitments in respect of capital expenditure:		
-Approved and contracted for	<b>380,284</b>	-
 This expenditure will be financed from:		
-Internal sources	<b>380,284</b>	-
 <b>13. CASH GENERATED FROM OPERATIONS</b>	<b>207,769</b>	<b>14,661,737</b>
Surplus/ (Deficit) for the year	(1,961,041)	3,941,811
Adjustments in respect of:		
Prior year adjustments	(8,423,919)	-
Capital expenditure	10,592,730	12,119,702
Interest received	-	(1,399,776)
 <b>14. INCREASE/(DECREASE) IN WORKING CAPITAL</b>	<b>(386,324)</b>	<b>1,329,750</b>
(Increase)/Decrease in accounts receivable	8,683,755	(6,572,492)
Long term debtors		
Increase/(Decrease) in creditors	(9,236,923)	7,660,080
(Increase)/Decrease in Long-term debtors	166,845	242,162

**STATUTORY FUNDS, TRUST FUNDS, PROJECT FUNDS AND RESERVES**  
for the year ended 30 June 2007

**APPENDIX A**

	Balance at 30 June 2006	Contribution during the year	Interest on investment	Other income	Expenditure / Charges	Balance at 30 June 2007
<b>STATUTORY FUNDS</b>						
Revolving fund	-	391,854	8,901	-	(215,179)	185,577
	-	<b>391,854</b>	<b>8,901</b>	-	<b>(215,179)</b>	<b>185,577</b>
<b>TRUST FUNDS</b>	<b>118,513</b>	<b>475,000</b>	<b>8,036</b>	-	<b>(423,627)</b>	<b>177,920</b>
IDP Fund	118,513	475,000	8,036	-	(423,629)	177,920
<b>PROJECT FUNDS</b>						
471 Housing	1,465	14,251,011	45,622	-	(13,025,934)	1,272,165
Bomvini Fund	81,505	-	3,244	-	-	84,749
Chibini Survey and Planning	98,141	-	3,883	-	-	102,024
Finance Management Grant	220,996	500,000.00	11,600	-	(341,212)	391,383
Free Basic Electricity fund	1,855,500	916,143	61,568	-	(1,549,643)	1,283,568
Free Basic Services fund	871,144	710,362	25,264	-	(827,304)	779,465
Free Basic Water fund ( Isilindini Community Hall)	788,440	2,333,176	44,625	-	(2,483,773)	682,468
Institutional Fund	150,856	1,705,253	32,168	-	(610,253)	1,278,024

**STATUTORY FUNDS, TRUST FUNDS, PROJECT FUNDS AND RESERVES (Continued)**  
for the year ended 30 June 2007

**APPENDIX A**

	Balance at 30 June 2006	Contribution during the year	Interest on investment	Other income	Expenditure / Charges	Balance at 30 June 2007
Mbongweni Fund	5,362	-	73	-	(78)	5,357
Mfundisweni Fund	2,425	-	24	-	(82)	2,367
Municipal System Improvement (MSIG)	517,678	916,625	24,520	-	(806,237)	682,586
MSP Fund	1,168,549	22,500	19,800	-	(988,763)	222,086
New Community Hall	28,286	-	-	-	-	28,286
Nzwakazi Sports Field	749	-	-	-	-	749
Poverty alleviation	185,698	-	7,404	-	-	193,102
Transitional Fund	137,893	-	298	-	(137,966)	225
Vukani Mangqamza Fund and Isilindini Survey)	1,118,801	-	45,227	-	-	1,164,028
Municipal infrastructure	2,242,903	3,332,233	61,137	-	(4,933,982)	702 287
Yandlala Mpisini	35,940.44	655	-	-	(603)	35,992
	<b>7,404,443</b>	<b>26,996,029</b>	<b>387,229</b>	<b>-</b>	<b>(25,905,820)</b>	<b>8,881,881</b>
<b>Total funds</b>	<b>7,522,956</b>	<b>27,862,882</b>	<b>404,166</b>	<b>-</b>	<b>(26,544,627)</b>	<b>(9,245,373)</b>

**ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT**

for the year ended 30 June 2007

**APPENDIX B**

	Balance as at 30 June 2006	Expenditure	Written-off / Transferred	Balance as at 30 June 2007
<b>Rates and general services</b>				
<b>Community services</b>				
Land and buildings	1,223,574	991,594	-	2,215,168
Plant and equipment	8,463,490	-	-	8,463,490
Office equipment	716,018	84,952	-	800,970
Road construction	31,387,558	5,372,100	-	36,759,658
Fencing	101,703	317,056	-	418,759
Waterworks infrastructure	147,307	-	-	147,307
Motor vehicles	148,165	-	-	148,165
Testing Ground	3,469,584	-	-	3,469,584
Monuments	-	-	-	-
Local Economic Development	-	1,338,011	-	1,338,011
Ward centres	-	2,489,015	-	2,489,015
<b>Economic services</b>				
Sanitation	-	-	-	-
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>45,657,397</b>	<b>10,592,730</b>	<b>-</b>	<b>56,250,127</b>
<b>Less: Loans redeemed and other capital receipts</b>				
Loans redeemed				
Revenue contribution to capital	45,657,397	10,592,730	-	56,250,127
Grants and subsidies				
<b>NET PROPERTY, PLANT AND EQUIPMENT</b>	<b>-</b>	<b>-</b>		<b>-</b>

## APPENDIX C

### ANALYSIS OF OPERATING INCOME AND EXPENDITURE for the year ended 30 June 2007

Actual 2006 R		Actual 2007 R	Budget 2007 R
<b>INCOME</b>			
21,641,391	Grants and subsidies:	32,582,973	24,308,000
931,789	- Provincial Government	-	-
20,709,602	- Central Government ( Equitable share)	24,307,615	24,308,000
	- Other	8,275,358	-
3,376,121	Operating income:	2,105,850	18,040,050
1,347,168	- Assessment rates	1,353,830	2,228,840
131,380	- Refuse	161,339	150,000
28,527	- Sanitation fees	-	150,000
1,869,046	- Other income	590,681	15,511,210
<u>25,017,512</u>	Total income	<u>34,688,823</u>	<u>42,348,050</u>
<b>EXPENDITURE</b>			
18,548,032	Total operating expenditure	26,057,134	29,966,143
9,254,008	Salaries, wages and allowances	15,235,576	15,516,486
6,761,899	General expenses	9,355,083	12,561,657
-	Bad debts	-	-
2,532,125	Repairs and maintenance	1,466,475	1,753,000
	Contribution to funds	-	135,000
<u>11,059,291</u>	Contribution to property, plant and equipment	<u>10,592,730</u>	<u>12,321,925</u>
<u>29,607,323</u>	Total expenditure	<u>36,649,864</u>	<u>42,288,068</u>
<b>(5,521,600)</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>(1,961,041)</b>	<b>59,982</b>



# **DETAILED INCOME STATEMENT**

for the year ended 30 June 2007

2006 R Actual Income	2006 R Actual Expenditure	2006 R Surplus / (deficit)
-------------------------------	------------------------------------	-------------------------------------

**25,017,512    21,075,702    3,941,810**

**24,886,132    20,337,866    4,548,266**

	2,952,845	
	2,160,620	
	1,899,154	
	4,585,853	
24,886,132	3,705,692	
	2,466,920	
	1,366,013	
	443,494	
	757,275	

**131,380    737,836    (606,456)**

131,380	737,836	(606,456)
---------	---------	-----------

25,017,512    21,075,702

3,941,810

202,738

**4,144,548**

## **RATES AND GENERAL SERVICES**

### **Community Services**

Administration & HR  
Community Service  
Councillors  
Engineering  
Finance  
Mayor  
Municipal Manager  
Information technology  
Public safety  
Water distribution

### **Economic Services**

Refuse removal

Deficit for the year

Surplus for the year

Accumulated surplus at the beginning of the year

Prior year adjustments

Accumulated surplus at the end of the year

## **APPENDIX D**

2007 R Actual Income	2007 R Actual Expenditure	2007 R Surplus / (deficit)
----------------------------	------------------------------------	----------------------------------

**34,688,823    36,649,864    (1,961,041)**

**34,527,484    36,041,815    (1,514,331)**

	2,999,308	
	4,538,215	
	6,366,270	
	10,555,311	
34,527,484	5,288,752	
	2,896,186	
	1,131,957	
	1,542,551	
	723,265	

**161,339    608,049    (446,710)**

161,339	608,049	
---------	---------	--

**34,688,823    36,649,864**    (1,961,041)

4,144,548

(8,423,919)

(6,240,412)

**STATISTICAL INFORMATION** for the year ended 30 June 2007**GENERAL STATISTICS****1. Population**

<b>Age group</b>	<b>Age group as percentage of total</b>	<b>Total population</b>	<b>Males</b>	<b>Females</b>
0 - 14	57%			
15 - 34	19%			
35 - 64	18%			
65 and over	6%			
<b>Total</b>	<b>100%</b>	<b>136,389</b>	<b>45,010</b>	<b>91,379</b>

**2. Assessment rates****2.1 Property valuation and assessment rates**

	<b>Valuation</b>	<b>Actual income 2007</b>	<b>Actual income 2006</b>
State owned property	8,902,290	45,871	
Commercial and residential	65,397,971	1,307,959	2,228,840
<b>Total valuation</b>	<b>74,300,261</b>	<b>1,353,830</b>	<b>2,228,840</b>

General valuations on land and buildings are performed every five years.  
The last general valuation came into effect on August 2000.

The assessment rates were as follows:

- Commercial and Residential 0.02 cents per rand
- State owned properties 0.02 cents per rand

**CHAPTER 5: FUNCTIONAL AREA SERVICE DELIVERY REPORTING**
**NTABANKULU LOCAL MUNICIPALITY  
GENERAL INFORMATION**

Reporting Level	Detail	Total	
Overview:	Provide a general overview of municipality: this may include a short narrative of issues peculiar to the municipality and issues specific to the financial year being reported		
Information:	<i>&lt;Provide statistical information on (as a minimum):&gt;</i>		
1	Geography: Geographical area in square kilometres Note: Indicate source of information	14,557,030	
2	Municipal Demarcation Board Demography: Total population Note: Indicate source of information	136 389	
3	Indigent Population Note: Indicate source of information and define basis of indigent policy including definition of indigent	32000	
4	Total number of voters	52 356	
5	Aged breakdown: - 65 years and over - between 40 and 64 years - between 15 and 39 years - 14 years and under Note: Indicate source of information	10 000 40 000 71 389 15 000	
6	Household income: - over R3,499 per month - between R2,500 and R3,499 per month - between R1,100 and R2,499 per month - under R1,100 per month Note: Indicate source of information	500 2000 3000 26 500	

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Free Basic provision to the indigent people. Ward committee induction. Community development workers	Provisioning of the free electricity to the communities and providing the alternative energy to those who do not grid electricity The ward committee are trained so as to assist the communities in the social needs. community		

Function:	Executive and Council		
Sub Function:	N/A		
Reporting Level	Detail	Total	
Overview:	Includes all activities relating to the executive and council function of the municipality including costs associated with mayoral, councilor and committee expenses and governance. Note: remuneration of councilor information should appear in Chapter 4 on <i>Financial Statements and Related Financial Information</i> .		
Description of the Activity:	<p>The function of executive and council within the municipality is administered as follows and includes:</p> <p><i>The is part that the mayor and the speaker co-ordinates the sitting of the council and formulate policies</i></p> <p>These services extend to include &lt;function/area&gt;, but do not take account of &lt;function/area&gt; which resides within the jurisdiction of &lt;national/provincial/other private sector&gt; government. The municipality has a mandate to:</p> <p>&lt;List here&gt;</p> <p>The strategic objectives of this function are to:</p> <p>&lt;List here&gt;</p> <p>The key issues for 2006/07 are:</p> <p>&lt;List here&gt;</p>		
Analysis of the Function:	<p>&lt;Provide statistical information on (as a minimum):&gt;</p> <p>1 Councillor detail:</p> <p>Total number of Councilors</p> <p>Number of Councilors on Executive Committee</p> <p>2 Ward detail:</p> <p>Total number of Wards</p> <p>Number of Ward Meetings</p> <p>3 Number and type of Council and Committee meetings:</p> <p><i>Finance, Social services, Strategic and Cooperate and Engineering &amp; Planning</i></p> <p>List here Council meetings, followed by individual committee and the number of times that each met</p>	<p>29</p> <p>6</p> <p>15</p> <p>12</p> <p>4</p>	

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<i>policy development</i>			

Function:	Finance and Administration		
Sub Function:	Finance		
Reporting Level	Detail	Total	
Overview:	Includes all activities relating to the finance function of the municipality. Note: grants information should appear in Chapter 4 on <i>Financial Statements and Related Financial Information</i> .		
Description of the Activity:	<p>The function of finance within the municipality is administered as follows and includes:</p> <p><i>The administrative head of the department is the Manager of Finance and IT who directly reports to the Municipal Manager.</i></p> <p>These services extend to include finance management of the municipality, but do not take account of water account which resides within the jurisdiction of the municipality that is the mandate of the district municipality. The municipality has a mandate to:</p> <p><i>&lt;List here&gt;</i></p> <p>The strategic objectives of this function are to:</p> <p><i>To increase the revenue of the municipality</i></p> <p>The key issues for 2006/07 are:</p> <p><i>Budget Control, Supply Chain Management, Revenue collects and assets control</i></p>		
Analysis of the Function:	<i>&lt;Provide statistical information on (as a minimum):&gt;</i>		
1	Debtor billings: number and value of monthly billings:		<i>R (000s)</i>
	Refuse collection	<i>560</i>	<i>120 000</i>
	- Number and amount billed each month across debtors by function (e.g.: water, electricity etc)	<i>560</i>	<i>300 000</i>
	Note: create a suitable table to reflect monthly billed and received (against billed) across debtors by function (e.g.: water, electricity etc)		
2	Debtor collections: value of amount received and interest:	<i>R (000s)</i>	<i>R (000s)</i>
	Rates	<i>&lt;total&gt;</i>	<i>&lt;total&gt;</i>

	<ul style="list-style-type: none"> <li>- Value received from monthly billings each month and interest from the previous month across debtors by function (e.g.: water, electricity etc)</li> </ul> <p>Note: create a suitable table to reflect amount received from that month's billings plus interest from the previous month across debtors by function</p>	<received>	<interest>
3	<p>Debtor analysis: amount outstanding over 30, 60, 90 and 120 plus days:</p> <p>Roads construction</p> <ul style="list-style-type: none"> <li>- Total debts outstanding over 30, 60, 90 and 120 plus days across debtors by function (e.g.: water, electricity etc)</li> </ul> <p>Note: create a suitable table to reflect debts outstanding over 30, 60, 90 and 120 plus days across debtors by function</p>	R (000s)	
		<total>	
4	<p>Write off of debts: number and value of debts written off:</p> <ul style="list-style-type: none"> <li>- Total debts written off each month across debtors by function (e.g.: water, electricity etc)</li> </ul> <p>Note: create a suitable table to reflect write offs each month across debtors by function</p>	0	R (000s)
			0
5	<p>Property rates (Residential):</p> <ul style="list-style-type: none"> <li>- Number and value of properties rated</li> <li>- Number and value of properties not rated</li> <li>- Number and value of rate exemptions</li> <li>- Rates collectible for the current year</li> </ul>	<number>	R (000s)
		<value>	
		<number>	<value>
		<number>	<value>
			<value>
Reporting Level	Detail	Total	
6	<p>Property rates (Commercial):</p> <ul style="list-style-type: none"> <li>- Number and value of properties rated</li> <li>- Number and value of properties not rated</li> <li>- Number and value of rate exemptions</li> <li>- Rates collectible for the current year</li> </ul>		R (000s)
		<number>	<value>
		<number>	<value>
		<number>	<value>
			<value>
7	<p>Regional Service Council (RSC) levies:</p> <ul style="list-style-type: none"> <li>- Number and value of returns</li> <li>- Total Establishment levy</li> <li>- Total Services levy</li> <li>- Levies collected for the current year</li> </ul>	<number>	R (000s)
			<value>
			<value>
			<value>
8	<p>Property valuation:</p> <ul style="list-style-type: none"> <li>- Year of last valuation</li> <li>- Regularity of valuation</li> </ul>	<year>	
		<cycle>	
9	<p>Indigent Policy:</p> <ul style="list-style-type: none"> <li>- Quantity (number of households affected)</li> <li>- Quantum (total value across municipality)</li> </ul>	<total>	
		<value>	
10	<p>Creditor Payments:</p> <p>&lt;List creditors here&gt;</p> <p>Note: create a suitable table to reflect the five largest creditors individually, with the amount outstanding over 30, 60, 90 and 120 plus days</p>	R (000s)	
		<value>	<age>
11	<p>Credit Rating:</p> <p>&lt;List credit rating details here&gt;</p> <p>List here whether your Council has a credit rating, what it is, from whom it was provided and when it was last updated</p>	R (000s)	
		<value>	<date>
12	<p>External Loans:</p> <ul style="list-style-type: none"> <li>- Total loans received and paid during the year</li> </ul>	R (000s)	R (000s)
		<received>	<paid>

13	Note: Create a suitable table to reflect the balance of each external loan at the beginning of the year, new loans raised during the year and loans repaid during the year as well as the balance at the end of the year. Interest rates payable on each loan, together with the date of repayment should be also disclosed in the table.		
	Delayed and Default Payments:		
	<List delayed and default payments here>	<value>	<date>
	List here whether Council has delayed payment on any loan, statutory payments or any other default of a material nature		
	Note: This information need not be reported here if reported as notes to the accounts.		

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target

Function:	Finance and Administration
Sub Function:	Human Resources

Reporting Level	Detail	Total	
Overview:	The department has the responsibility of implementing and co-coordinating the human resource function of the municipality in a manner that is consistent with current legislation, existing collective agreements, and the Human resources policy manual by adopted by the council on the 15 June 2003		
Description of the Activity:	<p>The department is administered by the Manger who is directly responsible to the Municipal Manager for the recruitment, selection, and induction of employees. The department has an ongoing monitoring role in taking all reasonable steps to ensure that employees comply with the provisions of the Human resources policy manual.</p> <p>&lt;List here&gt;</p> <p>The strategic objectives of this function are to:</p> <p>&lt;List here&gt;</p> <p>The key issues for 2002/03 are:</p> <p>&lt;List here&gt;</p>		
Analysis of the Function:	<p>&lt;Provide statistical information on (as a minimum):&gt;</p> <p>1 Number and cost to employer of all municipal staff employed:</p> <ul style="list-style-type: none"> <li>- Professional (Managerial/Specialist)</li> <li>- Field (Supervisory/Foremen)</li> <li>- Office (Clerical/Administrative)</li> <li>- Non-professional (blue collar, outside workforce)</li> <li>- Temporary Staff</li> <li>- Contract Staff</li> </ul> <p>Note: total number to be calculated on full-time equivalent (FTE) basis, providing detail of race and gender according to the breakdown described above. Total cost to include total salary package</p>	<p><i>R (000s)</i></p> <p>1 230</p> <p>nil nil</p> <p>7 340</p> <p>nil nil</p> <p>nil nil</p> <p>nil nil</p>	

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Multi Media induction plan. Employment Equity Performance Management System	Employment equity done		



Function:	Finance and Administration		
Sub Function:	Other Administration (Procurement)		
Reporting Level	Detail	Total	
Overview:	Includes all activities relating to overall procurement functions of the municipality including costs associated with orders, tenders, contract management etc		
Description of the Activity:	<p>The function of procurement within the municipality is administered as follows and includes:</p> <p><i>&lt;List administration of each function here: this should detail what is offered, and how it is offered to the community&gt;</i></p> <p>These services extend to include <i>&lt;function/area&gt;</i>, but do not take account of <i>&lt;function/area&gt;</i> which resides within the jurisdiction of <i>&lt;national/provincial/other private sector&gt;</i> government. The municipality has a mandate to:</p> <p><i>&lt;List here&gt;</i></p> <p>The strategic objectives of this function are to:</p> <p><i>&lt;List here&gt;</i></p> <p>The key issues for 2002/03 are:</p> <p><i>&lt;List here&gt;</i></p>		
Analysis of the Function:	<p><i>&lt;Provide statistical information on (as a minimum):&gt;</i></p> <p>1 Details of tender / procurement activities:</p> <ul style="list-style-type: none"> <li>- Total number of times that tender committee met during year</li> <li>- Total number of tenders considered</li> <li>- Total number of tenders approved</li> <li>- Average time taken from tender advertisement to award of tender</li> </ul> <p>Note: Figures should be aggregated over year across all municipal functions</p> <p>2 Details of tender committee:</p> <ul style="list-style-type: none"> <li>- <i>Details of tender committee membership</i></li> </ul> <p>Note: List details of each member of the tender committee</p>	<p><i>&lt;number&gt;</i></p> <p><i>&lt;number&gt;</i></p> <p><i>&lt;number&gt;</i></p> <p><i>&lt;number&gt;</i></p>	

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<i>&lt;List at least five key performance areas relative to the above function as articulated in the 2002/03 budget here&gt;</i>	<i>&lt; List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year.</i>		

Function:	Planning and Development
Sub Function:	Economic Development

Reporting Level	Detail	Total	
Overview:	Includes all activities associated with economic development initiatives		
Description of the Activity:	<p>The function of economic planning / development within the municipality is administered as follows and includes:</p> <p><i>The administrative authority lies in the department of Strategic and cooperate services</i></p> <p>These services extend to include &lt;function/area&gt;, but do not take account of &lt;function/area&gt; which resides within the jurisdiction of &lt;national/provincial/other private sector&gt; government. The municipality has a mandate to:</p> <p>&lt;List here&gt;</p> <p>The strategic objectives of this function are to:</p> <p>&lt;List here&gt;</p> <p>The key issues for 2002/03 are:</p> <p>&lt;List here&gt;</p>		
Analysis of the Function:	<p>&lt;Provide statistical information on (as a minimum):&gt;</p> <div><div>1</div><div>Number and cost to employer of all economic development personnel: - Professional (Directors / Managers) - Non-professional (Clerical / Administrative) - Temporary - Contract Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</div><div><div>1</div><div>250</div></div><div><div>3</div><div>300</div></div><div><div>0</div><div>0</div></div><div><div>0</div><div>0</div></div></div> <div><div>2</div><div>Detail and cost of incentives for business investment: &lt;list details&gt; Note: list incentives by project, with total actual cost to municipality for year</div><div><div></div><div>R (000s) &lt;cost&gt;</div></div></div> <div><div>3</div><div>Detail and cost of other urban renewal strategies: &lt;list details&gt; Note: list strategies by project, with total actual cost to municipality for year</div><div><div></div><div>R (000s) &lt;cost&gt;</div></div></div> <div><div>4</div><div>Detail and cost of other rural development strategies: &lt;list details&gt; Note: list strategies by project, with total actual cost to municipality for year</div><div><div></div><div>R (000s) &lt;cost&gt;</div></div></div> <div><div>5</div><div>Number of people employed through job creation schemes: - Short-term employment - Long-term employment Note: total number to be calculated on full-time equivalent (FTE) basis, and should only be based on direct employment as a result of municipal initiatives</div><div><div>&lt;number&gt; &lt;number&gt;</div><div></div></div></div>		

6	Number and cost to employer of all Building Inspectors employed:		<i>R (000s)</i>
	- Number of Building Inspectors	<number>	<value>
	- Temporary - Contract		
	Note: total number to be calculated on a full-time equivalent (FTE) basis, total cost to include total salary package		
6	Details of building plans:		
	- Number of building plans approved	<number>	
	- Value of building plans approved	<value>	
<b>Reporting Level</b>	<b>Detail</b>	<b>Total</b>	
7	Note: Figures should be aggregated over year to include building plan approvals only		
	Type and number of grants and subsidies received:		<i>R (000s)</i>
	<list each grant or subsidy separately>	<total>	<value>
	Note: total value of specific planning and development grants actually received during year to be recorded over the five quarters - Apr to Jun 2002, Jul to Sep 2002, Oct to Dec 2002, Jan to Mar 2003, Apr to Jun 2003.		

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<List at least five key performance areas relative to the above function as articulated in the 2002/03 budget here>	< List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year.		



	Note: total value of specific health clinic grants actually received during year to be recorded over the five quarters - Apr to Jun 2002, Jul to Sep 2002, Oct to Dec 2002, Jan to Mar 2003, Apr to Jun 2003.		
6	Total operating cost of health (clinic) function:		<i>n</i>

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<i>&lt;List at least five key performance areas relative to the above function as articulated in the 2002/03 budget here&gt;</i>	<i>&lt; List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year.</i>		



	Note: total value of specific health ambulance grants actually received during year to be recorded over the five quarters - Apr to Jun 2002, Jul to Sep 2002, Oct to Dec 2002, Jan to Mar 2003, Apr to Jun 2003.		
6	Total operating cost of health (ambulance) function		<i>R (000s)</i>

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<i>&lt;List at least five key performance areas relative to the above function as articulated in the 2002/03 budget here&gt;</i>	<i>&lt; List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year.</i>		





	Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package		
6	Total operating cost of community and social services function		R (000s)

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
community awareness	< List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year.		

## **CHAPTER 5: FINALE**

We believe this documents will be used as a document that will encourage the cooperative governess where other sectors of government see that there is a need to assist the Ntabankulu Local Municipality they must do so.

It will encourage the departments of the municipality to work together more than the previous financial year and improving where there was a shortfall